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# STATE OF ARIZONA

DEPT OF INSURANCE

DEPARTMENT OF INSURANCE

In the Matter of:

CAPSHAW, JEFFERY RAY (Arizona License # 74097) (National Producer License # 2777493) Respondent.

No. 10A-118-INS

CONSENT ORDER

The State of Arizona Department of Insurance ("Department") has received evidence that Respondent violated provisions of Title 20, Arizona Revised Statutes. Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Findings of Fact are true and consents to entry of the following Conclusions of Law and Order.

## **FINDINGS OF FACT**

- Jeffery Ray Capshaw ("Capshaw") is, and was at all material times, licensed 1. as an Arizona resident casualty and property producer, license number 74097, which expires on June 30, 2012. Capshaw's business address of record is 2200 E. Williams Field Rd, Suite 200, Gilbert, AZ 85295. His residence address of record is 1568 N Tucana Court, Gilbert, AZ 85234. His mailing address of record is P.O. Box 2198, Gilbert, AZ 85299.
- The Arizona Insurance Store, LLC (the "AZ Store") is an Arizona domiciled 2. corporation, incorporated on June 1, 2007. The AZ Store was never licensed to conduct insurance business in the State of Arizona.
- Premier Insurance Solutions PLLC ("Premier") is, and was at all material 3. times, licensed as an Arizona resident casualty and property producer, license number 954651, which expires on October 31, 2013. Premier first became licensed with the Department on October 30, 2009. Capshaw is the Principal and Designated Responsible Licensed Producer of record for Premier.

1. The Director has jurisdiction in this matter.

- 4. Capshaw was at all material times employed as an insurance producer by Capital West Insurance, LLC ("Capital West"), an Arizona domiciled limited liability company which is licensed with the Department as an insurance producer (Arizona license number 922302). Nickos Kourouglos ("Kourouglos") is the agency principal and designated responsible licensed producer of Capital West.
- 5. On or about July 1, 2010, Kourouglos filed a complaint with the Department alleging that Capshaw had diverted premium refund money and deposited it to his personal account for his own use.
- 6. On or about February 25, 2009, Capshaw wrote a business automobile insurance policy for Dale Blake ("Blake") who owned a janitorial service. Capshaw wrote the policy through Sentinel Insurance Company Ltd. ("Sentinel"), a member of the Hartford Insurance Group, Policy Number 59 UEC KM4509 ("Blake policy"). Blake financed the insurance premium through First Insurance Funding, Corp.
- 7. Effective July 20, 2009, Sentinel cancelled the Blake policy for nonpayment of premium and issued a series of three premium refund checks made payable to Capital West totaling \$16,306.40. Capshaw intercepted the three premium refund checks and deposited them into his Goldwater Bank account (number \*\*\*\*16) for the Arizona Insurance Store, LLC. Capshaw failed to remit any of the returned premium and instead misappropriated it for his own use.
- 8. On or about January 13, 2010, Capshaw admitted in an e-mail to Kourouglos that he did not return the premium refunds to Capital West.
- 9. On or about August 12, 2010, the Department attempted to serve a subpoena at Capshaw's residence and business addresses of record. Capshaw failed to appear in response to the Department's subpoena.

#### **CONCLUSIONS OF LAW**

- 2. Respondent's conduct, as described above, constitutes violating any provision of Title 20, or any rule, subpoena, or order of the Director, within the meaning of A.R.S. §§ 20-295(A)(2).
- 3. Respondent Capshaw's conduct, as alleged above, constitutes improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business, pursuant to A.R.S. § 20-295(A)(4).
- 4. Respondent Capshaw's conduct, as alleged above, constitutes using fraudulent, coercive or dishonest practices, and demonstrates incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere, which are grounds for denial or revocation of an insurance producer's license pursuant to A.R.S. § 20-295(A)(8).
- 5. Grounds exist to suspend, revoke, or refuse to renew Respondent's insurance licenses, impose a civil penalty and/or order restitution, pursuant to A.R.S. §§ 20-295(A)(2), (4), and (8).

### ORDER

#### IT IS HEREBY ORDERED THAT:

- Respondent's license is revoked effective immediately upon entry of this
   Order.
- 2. Respondent shall make restitution to Capital West in the amount of \$16,306.40. Respondent shall provide proof to the Department of Insurance of restitution payments made to Capital West.
- 3. Premier Insurance Solutions, PLLC will either surrender its license or provide proof to the Department of Insurance that Respondent is no longer a member or Designated Licensed Responsible Producer of Premier Insurance Solutions, PLLC.

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4. The hearing in this matter	r scheduled for March 24, 2011, is vacated.
DATED AND EFFECTIVE this _	January day of March, 2011.
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CHRISTINA URIAS Director of Insurance

### **CONSENT TO ORDER**

- 1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law and Order.
- 2. Respondent admits the jurisdiction of the Director of Insurance, State of Arizona, and admits the foregoing Findings of Fact and consent to the entry of the foregoing Conclusions of Law and Order.
- Respondent is aware of his right to notice and a hearing at which he may be represented by counsel, present evidence and examine witnesses. Respondent irrevocably waives his right to such notice and hearing and to any court appeals relating to this Consent Order.
- 4. Respondent states that no promise of any kind or nature whatsoever, except as expressly contained in this Consent Order, was made to him to induce him to enter into this Consent Order and that he has entered into this Consent Order voluntarily.
- 5. Respondent acknowledges that the acceptance of this Consent Order by the Director is solely to settle this matter against him and does not preclude any other agency, officer, or subdivision of this state including the Department from instituting civil or criminal proceedings as may be appropriate now or in the future.
- Respondent acknowledges that this Consent Order is an administrative action that the Department will report to the National Association of Insurance Commissioners (NAIC) and that he may have to report this administrative action on any

1	future licensing applications either to the Department or other states' Departments of
2	Insurance.
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4	3/1/11
5	Date Jeffery Ray Capshaw, License No. 74097
6	
7	COPIES of the foregoing mailed/delivered this <u>8th</u> day of <u>March</u> , 2011, to:
8	Vladimir Gagic, Esq.
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